

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

IN RE: INTERSTATE POWER AND LIGHT COMPANY AND PANORA MUNICIPAL ELECTRIC COMPANY	DOCKET NO. SPU-04-30
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**ORDER GRANTING PETITION FOR MODIFICATION
OF SERVICE AREA BOUNDARIES**

(Issued November 24, 2004)

On October 20, 2004, Interstate Power and Light Company (IPL) and Panora Municipal Electric Company (Panora) filed a joint petition for modification of electric service area boundaries pursuant to Iowa Code § 476.25(2). A service area agreement between IPL and Panora is attached to the petition. No objections to the petition were filed.

IPL and Panora have agreed that certain territory in IPL's exclusive service territory will be transferred to Panora and request the Board modify the service territory boundary between the two utilities in Guthrie County, Iowa. The following service territory is to be served by Panora:

Panora will serve an area approximately 1 acre in size and located North of Highway 44 in the Southeast Quarter (SE ¼) of the Southeast Quarter (SE ¼) of Section 31, T-80N, R-30W, Guthrie County, Iowa, and further described in Exhibit 2 of the joint petition.

In support of the petition, IPL and Panora state the modification will allow both utilities to more efficiently serve their customers while avoiding unnecessary duplication of facilities. The proposed modification will allow Panora to serve a development adjacent to its current service territory. The property owner requested the modification because Panora's facilities are in closer proximity to his property than IPL's facilities. No other customers are affected by the modification.

Iowa Code § 476.25 (2003) provides in pertinent part:

Contracts between electric utilities to designate service areas and customers to be served by the electric utility or for the exchange of customers between electric utilities, when approved by the board, shall be valid and enforceable and shall be incorporated into the appropriate exclusive service areas established pursuant to subsection 1 of this section. The board shall approve a contract if it finds that the contract will eliminate or avoid unnecessary duplication of facilities, will provide adequate electric service to all areas and customers affected, will promote the efficient and economical use and development of the electric systems of the contracting electric utilities, and is in the public interest.

The Board will grant the joint petition for modification of service area boundaries. IPL and Panora have alleged facts that establish the proposed modification is in the public interest, will prevent unnecessary duplication of facilities, provide adequate electric service to all customers affected, and will promote the efficient and economical use of electrical systems, pursuant to Iowa Code § 476.25.

IT IS THEREFORE ORDERED:

The joint petition for modification of electric service area boundaries filed by Interstate Power and Light Company and Panora Municipal Electric Company on October 20, 2004, is granted, subject to complaint or investigation.

UTILITIES BOARD

/s/ Diane Munns

/s/ Mark O. Lambert

ATTEST:

/s/ Judi K. Cooper
Executive Secretary

/s/ Elliott Smith

Dated at Des Moines, Iowa, this 24th day of November, 2004.